

NEW APPLICATION



0000161723

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Attorney for Arizona Public Service Company

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

SUSAN BITTER SMITH, Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

APR 23 2015

DOCKETED BY

IN THE MATTER OF ARIZONA PUBLIC
SERVICE COMPANY FOR APPROVAL
OF REDUCED SYSTEM BENEFITS
CHARGES.

DOCKET NO. E-01345A-15-0134

I. INTRODUCTION

Pursuant to Decision No. 73183 (May 24, 2012), Arizona Public Service Company ("APS" or "Company") hereby requests that the Commission approve the following changes in its currently authorized System Benefits charges.¹

	Current System Benefits Charge Authorized in Decision No. 73183	Proposed System Benefits Adjustment SBA-2 Charge	Effective Customer System Benefits Charge
All Customers	\$0.00297/kWh	\$(0.000512)/kWh	\$.002458/kWh

The proposed System Benefits charges would become effective January 1, 2016. A revised Rate Schedule SBA-2 is attached as Exhibit A.

¹ The System Benefits charge was a product of the Commission's attempts in the late 1990's to move toward retail electric competition and deregulation of certain portions of traditional electric service. It is defined in A.A.C. R14-2-1601(41) as including: "Commission-approved utility low income, demand side management, Consumer Education, environmental, renewable, long-term public benefit research and development, and nuclear fuel disposal and nuclear plant decommissioning programs, and other programs that may be approved by the Commission from time to time."

1 **II. BACKGROUND FOR THE COMPANY'S REQUEST**

2 In Decision No. 73183, the Commission approved a Settlement Agreement
3 providing that once APS achieved full funding of its decommissioning obligation related
4 to Unit 2 of the Palo Verde Nuclear Generating Station ("Unit 2"), APS was required to
5 implement, subject to Commission approval, a reduced System Benefits charge effective
6 January 1, 2016.² See Section 6.3 of the Settlement.

7 **III. IMPACT OF THE PROPOSED SYSTEM BENEFITS CHARGES**

8 The impact on Company retail revenues from the new System Benefits charges is
9 an overall reduction of approximately \$14.6 million per year. For a typical APS
10 residential customer, the System Benefits adjustment would be reduced by \$0.56 per
11 month, or less than 1% on a total bill basis.³ A complete analysis of typical customer bill
12 impact is shown on Exhibit.B.

13 **IV. CONCLUSION**

14 APS requests that proposed System Benefits adjustment become effective
15 beginning January 1, 2016, without proration. APS's requested revisions to its System
16 Benefits charges are fully consistent with the terms of the Settlement and Decision No.
17 73183.

18
19 RESPECTFULLY SUBMITTED this 23rd day of April, 2015.

20
21 By: 

22 Thomas L. Mumaw

23 Attorney for Arizona Public Service Company

24
25 ² The sale/leaseback agreements approved by the Commission in Decision Nos. 55120 (July 24, 1986)
26 and 55320 (December 5, 1986) required an accelerated decommissioning funding schedule for Unit 2.
Per the terms of those agreements, APS may cease decommissioning funding for Unit 2 after December
31, 2015.

27 ³ Interestingly, the overall bill impact will be \$(0.57) for the average residential customer. This is
28 because the Lost Fixed Cost Recovery ("LFCR") rate is calculated based on a percentage of the
customer's total bill.

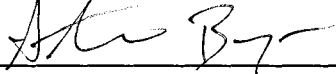
1 ORIGINAL and thirteen (13) copies
2 of the foregoing filed this 23rd day of
3 April 2015, with:

4 Docket Control
5 ARIZONA CORPORATION COMMISSION
6 1200 West Washington Street
7 Phoenix, Arizona 85007

8 COPY of the foregoing emailed, mailed or hand delivered this
9 23rd day of April 2015 to:

10 Susan Bitter Smith, Chairman
11 Bob Stump, Commissioner
12 Bob Burns, Commissioner
13 Doug Little, Commissioner
14 Tom Forese, Commissioner
15 Jodi Jerich, Executive Director
16 Steve Olea, Director Utilities Division
17 Janice Alward, Chief Counsel
18 Lyn Farmer, Chief Administrative Law Judge

19 Parties of Record in Docket No. E-01345A-11-0224

20 
21 _____



**ADJUSTMENT SCHEDULE SBA-2
SYSTEM BENEFITS ADJUSTMENT**

APPLICATION

The System Benefits Adjustment ("SBA-2") shall apply to all retail electric rate schedules in accordance with their terms. All provisions of the customer's current applicable rate schedule will apply in addition to this charge. This rate schedule was approved by the Arizona Corporation Commission in Decision No. XXXXX.

RATES

The charges shall be calculated at the following rates:

System Benefits Adjustment:

All kWh	\$(0.000512)	per kWh
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ARIZONA PUBLIC SERVICE COMPANY
SBA-2 projected impact

AVERAGE MONTHLY BILL IMPACTS

Residential (Avg - All Rates)	Current		Proposed		% Impact
	Average Monthly Bill ¹	Average Monthly Bill ^{1,2}	Average Monthly Bill ¹	Average Monthly Bill ^{1,2}	
Average kWh per Month	1,100				
Base Rates	\$ 123.90	\$ 123.90			
PSA	\$ 0.98	\$ 0.98			
TCA	\$ 7.70	\$ 7.70			
RES	\$ 4.42	\$ 4.42			
DSMAC	\$ 2.03	\$ 2.03			
EIS	\$ 0.12	\$ 0.12			
SBA-2	\$ -	\$ (0.56)			-0.39%
Four Corners	\$ 2.52	\$ 2.52			
LFCR	\$ 2.07	\$ 2.06			-0.01%
Total	\$ 143.74	\$ 143.17			-0.40%

Residential (Rate E-12)	Current		Proposed		% Impact
	Average Monthly Bill ¹	Average Monthly Bill ^{1,2}	Average Monthly Bill ¹	Average Monthly Bill ^{1,2}	
Average kWh per Month	691				
Base Rates	\$ 86.40	\$ 86.40			
PSA	\$ 0.61	\$ 0.61			
TCA	\$ 4.84	\$ 4.84			
RES	\$ 4.42	\$ 4.42			
DSMAC	\$ 1.28	\$ 1.28			
EIS	\$ 0.08	\$ 0.08			
SBA-2	\$ -	\$ (0.36)			-0.36%
Four Corners	\$ 1.75	\$ 1.75			
LFCR	\$ 1.46	\$ 1.45			-0.01%
Total	\$ 100.84	\$ 100.47			-0.37%

Commercial XS (E-32)	Current		Proposed		% Impact
	Average Monthly Bill ¹	Average Monthly Bill ^{1,2}	Average Monthly Bill ¹	Average Monthly Bill ^{1,2}	
Average kWh per Month	1,430				
Base Rates	\$ 202.38	\$ 202.38			
PSA	\$ 1.27	\$ 1.27			
TCA	\$ 3.73	\$ 3.73			
RES	\$ 15.82	\$ 15.82			
DSMAC	\$ 2.64	\$ 2.64			
EIS	\$ 0.16	\$ 0.16			
SBA-2	\$ -	\$ (0.74)			-0.32%
Four Corners	\$ 4.11	\$ 4.11			
LFCR	\$ 3.36	\$ 3.35			-0.00%
Total	\$ 233.47	\$ 232.72			-0.32%

SEASONAL BILL IMPACTS

	Current		Proposed		
	Summer Monthly Bill	Winter Monthly Bill	Summer Monthly Bill	Winter Monthly Bill	
	1,337	863	1,337	863	
	\$ 161.07	\$ 86.72	\$ 161.07	\$ 86.72	
	\$ 1.18	\$ 0.77	\$ 1.18	\$ 0.77	
	\$ 9.36	\$ 6.04	\$ 9.36	\$ 6.04	
	\$ 4.42	\$ 4.42	\$ 4.42	\$ 4.42	
	\$ 2.47	\$ 1.59	\$ 2.47	\$ 1.59	
	\$ 0.15	\$ 0.09	\$ 0.15	\$ 0.09	
	\$ -	\$ -	\$ (0.68)	\$ (0.44)	
	\$ 3.27	\$ 1.76	\$ 3.27	\$ 1.76	
	\$ 2.65	\$ 1.48	\$ 2.64	\$ 1.47	
	\$ 184.57	\$ 102.87	\$ 183.88	\$ 102.42	

	Current		Proposed		
	Summer Monthly Bill	Winter Monthly Bill	Summer Monthly Bill	Winter Monthly Bill	
	780	602	780	602	
	\$ 108.04	\$ 64.76	\$ 108.04	\$ 64.76	
	\$ 0.69	\$ 0.53	\$ 0.69	\$ 0.53	
	\$ 5.46	\$ 4.22	\$ 5.46	\$ 4.22	
	\$ 4.42	\$ 4.42	\$ 4.42	\$ 4.42	
	\$ 1.44	\$ 1.11	\$ 1.44	\$ 1.11	
	\$ 0.09	\$ 0.07	\$ 0.09	\$ 0.07	
	\$ -	\$ -	\$ (0.40)	\$ (0.31)	
	\$ 2.19	\$ 1.31	\$ 2.19	\$ 1.31	
	\$ 1.79	\$ 1.12	\$ 1.78	\$ 1.11	
	\$ 124.12	\$ 77.54	\$ 123.71	\$ 77.22	

	Current		Proposed		
	Summer Monthly Bill	Winter Monthly Bill	Summer Monthly Bill	Winter Monthly Bill	
	1,575	1,285	1,575	1,285	
	\$ 233.37	\$ 171.39	\$ 233.37	\$ 171.39	
	\$ 1.40	\$ 1.14	\$ 1.40	\$ 1.14	
	\$ 4.11	\$ 3.35	\$ 4.11	\$ 3.35	
	\$ 17.42	\$ 14.21	\$ 17.42	\$ 14.21	
	\$ 2.91	\$ 2.37	\$ 2.91	\$ 2.37	
	\$ 0.17	\$ 0.14	\$ 0.17	\$ 0.14	
	\$ -	\$ -	\$ (0.81)	\$ (0.66)	
	\$ 4.74	\$ 3.48	\$ 4.74	\$ 3.48	
	\$ 3.85	\$ 2.86	\$ 3.84	\$ 2.85	
	\$ 267.97	\$ 198.94	\$ 267.15	\$ 198.27	

ARIZONA PUBLIC SERVICE COMPANY
SBA-2 projected impact

AVERAGE MONTHLY BILL IMPACTS

	Current Average Monthly Bill ¹	Proposed Average Monthly Bill ^{1,2}	\$ Impact	% Impact
Commercial - S (E-32)				
Average kWh per Month	7,182			
Average kW per Month	23.7			
Base Rates		842.33		
PSA	\$ 842.33	\$ 842.33		
TCA	\$ 6.38	\$ 6.38		
RES	\$ 19.48	\$ 19.48		
DSMAC	\$ 79.44	\$ 79.44		
EIS	\$ 16.50	\$ 16.50		
SBA-2	\$ 0.78	\$ 0.78		
Four Corners	\$ -	\$ (3.68)	\$ (3.68)	-0.37%
LFCR	\$ 17.10	\$ 17.10		
Total	\$ 14.33	\$ 14.28	\$ (0.05)	-0.01%
	\$ 996.34	\$ 992.61	\$ (3.73)	-0.37%

Commercial - M (E-32)

	Current Average Monthly Bill ¹	Proposed Average Monthly Bill ^{1,2}	\$ Impact	% Impact
Average kWh per Month	62,238			
Average kW per Month	195.7			
Base Rates		6,431.10		
PSA	\$ 6,431.10	\$ 6,431.10		
TCA	\$ 55.21	\$ 55.21		
RES	\$ 160.83	\$ 160.83		
DSMAC	\$ 276.50	\$ 276.50		
EIS	\$ 136.17	\$ 136.17		
SBA-2	\$ 6.78	\$ 6.78		
Four Corners	\$ -	\$ (31.87)	\$ (31.87)	-0.44%
LFCR	\$ 130.56	\$ 130.56		
Total	\$ 105.02	\$ 104.56	\$ (0.46)	-0.01%
	\$ 7,302.17	\$ 7,269.84	\$ (32.33)	-0.44%

Commercial - L (E-32)

	Current Average Monthly Bill ¹	Proposed Average Monthly Bill ^{1,2}	\$ Impact	% Impact
Average kWh per Month	290,507			
Average kW per Month	716.5			
Base Rates		24,707.54		
PSA	\$ 24,707.54	\$ 24,707.54		
TCA	\$ 257.68	\$ 257.68		
RES	\$ 588.97	\$ 588.97		
DSMAC	\$ 553.00	\$ 553.00		
EIS	\$ 498.69	\$ 498.69		
SBA-2	\$ 31.67	\$ 31.67		
Four Corners	\$ -	\$ (148.74)	\$ (148.74)	-0.55%
LFCR	\$ 501.57	\$ 501.57		
Total	\$ 27,139.12	\$ 26,990.38	\$ (148.74)	-0.55%

SEASONAL BILL IMPACTS

	Current Summer Monthly Bill	Proposed Summer Monthly Bill	Current Winter Monthly Bill	Proposed Winter Monthly Bill
	7,752	7,752	6,612	6,612
	26.8	26.8	20.6	20.6
	\$ 987.28	\$ 987.28	\$ 697.38	\$ 697.38
	\$ 6.88	\$ 6.88	\$ 5.87	\$ 5.87
	\$ 22.03	\$ 22.03	\$ 16.93	\$ 16.93
	\$ 85.74	\$ 85.74	\$ 73.13	\$ 73.13
	\$ 18.65	\$ 18.65	\$ 14.34	\$ 14.34
	\$ 0.84	\$ 0.84	\$ 0.72	\$ 0.72
	\$ -	\$ (3.97)	\$ -	\$ (3.99)
	\$ 20.04	\$ 20.04	\$ 14.16	\$ 14.16
	\$ 16.66	\$ 16.60	\$ 12.00	\$ 11.95
	\$ 1,158.12	\$ 1,154.09	\$ 834.53	\$ 831.09

	Current Summer Monthly Bill	Proposed Summer Monthly Bill	Current Winter Monthly Bill	Proposed Winter Monthly Bill
	68,381	68,381	56,094	56,094
	209.5	209.5	181.8	181.8
	\$ 7,407.24	\$ 7,407.24	\$ 5,454.95	\$ 5,454.95
	\$ 60.66	\$ 60.66	\$ 49.75	\$ 49.75
	\$ 172.21	\$ 172.21	\$ 149.44	\$ 149.44
	\$ 276.50	\$ 276.50	\$ 276.50	\$ 276.50
	\$ 145.81	\$ 145.81	\$ 126.53	\$ 126.53
	\$ 7.45	\$ 7.45	\$ 6.11	\$ 6.11
	\$ -	\$ (35.01)	\$ -	\$ (28.72)
	\$ 150.37	\$ 150.37	\$ 110.74	\$ 110.74
	\$ 119.95	\$ 119.44	\$ 90.09	\$ 89.67
	\$ 8,340.19	\$ 8,304.67	\$ 6,264.11	\$ 6,234.97

	Current Summer Monthly Bill	Proposed Summer Monthly Bill	Current Winter Monthly Bill	Proposed Winter Monthly Bill
	314,925	314,925	266,089	266,089
	795	795	638	638
	\$ 29,453.69	\$ 29,453.69	\$ 19,961.38	\$ 19,961.38
	\$ 279.34	\$ 279.34	\$ 236.02	\$ 236.02
	\$ 653.49	\$ 653.49	\$ 524.44	\$ 524.44
	\$ 553.00	\$ 553.00	\$ 553.00	\$ 553.00
	\$ 553.32	\$ 553.32	\$ 444.05	\$ 444.05
	\$ 34.33	\$ 34.33	\$ 29.00	\$ 29.00
	\$ -	\$ (161.24)	\$ -	\$ (136.24)
	\$ 597.91	\$ 597.91	\$ 405.22	\$ 405.22
	\$ 32,125.08	\$ 31,963.84	\$ 22,163.11	\$ 22,016.87

ARIZONA PUBLIC SERVICE COMPANY
SBA-2 projected impact

	AVERAGE MONTHLY BILL IMPACTS				SEASONAL BILL IMPACTS			
	Current		Proposed		Current		Proposed	
	Average Monthly Bill ¹	Average Monthly Bill ^{1,2}	\$ Impact	% Impact	Summer Monthly Bill	Summer Monthly Bill	Winter Monthly Bill	Winter Monthly Bill
Industrial - XL (E-34.35)	3,693.933	3,693.933			3,841,873	3,841,873	3,545,992	3,545,992
Average kWh per Month	6,369.5				6,681	6,681	6,058	6,058
Base Rates	\$ 251,228.00	\$ 251,228.00			\$ 262,539.00	\$ 262,539.00	\$ 239,917.00	\$ 239,917.00
PSA	\$ 3,276.52	\$ 3,276.52			\$ 3,407.74	\$ 3,407.74	\$ 3,145.30	\$ 3,145.30
TCA	\$ 7,433.21	\$ 7,433.21			\$ 7,796.73	\$ 7,796.73	\$ 7,069.69	\$ 7,069.69
RES	\$ 3,594.00	\$ 3,594.00			\$ 3,594.00	\$ 3,594.00	\$ 3,594.00	\$ 3,594.00
DSMAC	\$ 4,433.18	\$ 4,433.18			\$ 4,649.98	\$ 4,649.98	\$ 4,216.37	\$ 4,216.37
EIS	\$ 402.64	\$ 402.64			\$ 418.76	\$ 418.76	\$ 386.51	\$ 386.51
SBA-2	\$ -	\$ (1,891.30)	\$ (1,891.30)	-0.69%	\$ -	\$ (1,967.04)	\$ -	\$ (1,815.55)
Four Corners	\$ 5,099.93	\$ 5,099.93			\$ 5,329.54	\$ 5,329.54	\$ 4,870.32	\$ 4,870.32
LFCR	\$ -	\$ -			\$ -	\$ -	\$ -	\$ -
Total	\$ 275,467.48	\$ 273,576.18	\$ (1,891.30)	-0.69%	\$ 287,735.75	\$ 285,768.71	\$ 263,199.19	\$ 261,383.64

Notes:

- (1) Bill excludes regulatory assessment charge, taxes and fees. All Adjustor levels in effect as of April 1, 2015.
(2) Bill includes the projected impact to customers of the proposed SBA-2 adjustor.